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HANDLING INDICATOR

TO : Department of State

INFO : USUN

FROM : Amembassy BUENOS AIRES

DATE: June 2, 1969

SUBJECT: Seabeds: Argentine Attitudes and Interests.

REF : CA-2612.

Below, following the same format, are our responses to the CA-2612 questionnaire. The Embassy did not consult with Argentine authorities in formulating these responses; hence a number are speculative and partial.

National Jurisdiction Claims:

1. The Argentine Government has not set precise limits to the area of continental shelf over which it claims sovereign rights to exploit mineral resources. The governing legislation, Article 2 of Law 17,094 of December 29, 1966, the same law which extended maritime sovereignty claims to 200 miles, reads: "The sovereignty of the Argentine Nation likewise extends to the seabed and subsoil of the submarine areas adjacent to its territory to a depth of 200 meters or, beyond that limit, to where the depth of the supra-adjacent waters permits the exploitation of the natural resources of the said areas." The Department will recognize the close parallel between this language and that employed to define "continental shelf" in the 1958 Geneva Convention on the Continental Shelf.
2. The GOA claims fishing jurisdiction (as well as sovereignty) to 200 nautical miles from the coast, without reference to the continental shelf. In most coastal areas the shelf extends beyond 200 miles from the coast. In a few areas the claimed jurisdictional waters extend well beyond the 200 meter isobath (e.g., off Tierra del Fuego, the Falkland Islands, and parts of Buenos Aires province).
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3. We would expect the GOA/assume a tolerant attitude toward scientific research by friendly nations on the continental shelf claimed by Argentina, assuming those states first requested Argentine permission. US, West German and Soviet/oceanographic vessels have conducted research on the shelf in the recent past.

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Drafted by: POL:AMIsaacs:imb 6-6-69

Contents and Classification Approved by: A/DCM:HBThompson

Clearances: ECON:RShuler

SCIATT:DrACSimonpietri

NAVATT:CaptREFord

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Inclusion of Argentine researchers and sharing of data would enhance Argentine receptivity. The GOA would probably feel constrained to monitor, chase off or detain "unauthorized" researchers, if detected.

Clearly, the GOA would be highly sensitive to military utilization of the shelf; except in situations where Argentina would have substantial participation plus recognition of GOA sovereignty. It goes without saying that Argentine receptivity to military use of the shelf by another state, granted the previous conditions were met, would be conditioned by the identity of the requesting state.

4. GOA rationales for its present claim tend to make little distinction between expanded continental shelf sovereignty and that claimed over the adjacent sea. Reasons most frequently cited center on protection of animal and vegetable life against over-exploitation, mineral resource potential, and the security problems ostensibly posed by foreign "spying" and other activities (i.e., by the Soviet trawler fleet). Official statements have also alluded to the coincidence between the Argentine seabed boundary claim and "current international usage" as incorporated by the Geneva Convention. In a message accompanying a 1964 draft law which was never enacted, the government spoke of the "coincidence of views" with other Latin American countries. The message accompanying the 1966 law refers to "the need to delimit with precision the extension of the national territory", the "present extractive activities of foreign ships" which "constituted a serious fact", and the determination of the GOA to carry on research leading to the greater exploitation of the "animal, vegetable and mineral resources of Argentine waters." Unsaid was the GOA desire to stake out a claim at least commensurate with that exercised by the more expansive Latin American states, and with the Geneva Convention formula.

5. In the message accompanying the never-enacted 1964 draft decree on maritime jurisdiction (see Embassy's A-214 of August 24, 1964), the GOA said its expansive declaration of sovereignty over the continental shelf and epicontinental sea "serves to reiterate Argentine rights over the Malvinas (Falkland) Islands..." Though the much briefer message accompanying the 1966 law omitted reference to the Falklands, the claim to the islands presumably continues to be a factor, though probably not a controlling one, in the GOA's expansive continental shelf position. Conceivably there may exist some remote connection between the GOA continental shelf position and the GOA claims to the South Georgia and South Sandwich Islands and to its "sector" of Antarctica. We cannot document any evidence of this, however. Since, by mutual agreement, Argentina and Uruguay consider the River Plate estuary (above a line drawn between Punta del Este, Uruguay and Cabo San Antonio, Argentina) to be internal waters, that boundary situation probably had no bearing on seabed claims.

6. There seems to be no question but that the GOA thinks its military interests best served by a "wide" seabed, particularly in the case of the present government whose prime constituency is the armed forces. This interest has several aspects: (a) security interest in exercising control against "unauthorized" military use of the adjacent seabed by another state; (b) the currently fashionable military doctrine which holds that national development (by extension, exploitation of seabed resources) is a concomitant of national security; and (c), the narrower Navy interest in enlarging the scope of its operations, providing ammunition to back up pleas for more

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and better equipment, etc. In this and para. 7, we do not wish to convey the impression that the GOA seems to have inordinate interest in the so-called "deep" seabed. The "Argentine" shelf to the 200-meter isobath is so very broad in most places that security and economic interests in the deeper bed beyond are probably mostly hypothetical at this juncture. An exception might be the relatively inshore deep seabed areas indicated in para. 2.

7. Our impression is that the GOA thinks its economic interests best served by a broad national jurisdiction over the seabed. (See also paras. 6, 12 and 13).

8. We have no current indication that the GOA contemplates altering or refining its jurisdictional claim. (See also para. 19).

Interest in Deep Seabed

9. The Embassy does not know if the GOA has expressed interest in international arrangements governing deep seabed exploitation. We suggest, in this context, that the Department examine the proceedings of the ad hoc and permanent UN Committees on Peaceful Uses of the Seabeds, in which Argentina participated. In a wireservice story from New York received here on March 22, 1969, Argentine Ambassador to the UN José María RUDA was represented as saying that "in order to begin an economic exploitation of the seabed beyond national jurisdiction (sic), it is necessary to establish clear standards to enable potential investors to know the conditions governing such exploitation." Possibly USUN can furnish the full text of that statement.

10. The GOA has not formulated a position on arms control measures for the seabed, so far as we are aware. We would expect that sympathy and understanding exist for the US position that weapons of mass destruction be banned and that purely defensive devices be permitted.

11. It is our impression that the GOA's attitude toward the deep seabed is principally defensive, influenced by apprehension that international arrangements might threaten its basic claim to the shelf down to the 200 meter isobath, and by a desire to reserve its rights in the area beyond against the day technology will make resource exploitation there feasible. We do not believe the GOA is primarily concerned with the issue of military use or with the possibility of conflict over resources. Nor do we believe the GOA is moved by the idea of developing the deep seabeds as a revenue source for assistance to the LDCs, or by the notion that an international agreement is worth having for its precedent value as a step in the development of international institutional mechanisms.

Factors Affecting Seabed Policy

12. The GOA has a full (and possibly exaggerated) appreciation of the resource potential of the adjacent continental shelf. Argentine officials are impressed with the fact that in terms of sheer shelf area, Argentina is handsomely endowed. They know, moreover, that the waters above the shelf constitute one of the world's potentially great fisheries, and they are confident that offshore geological structures in a number of

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large areas are capable of producing petroleum and perhaps natural gas in economic quantities. The fact that a number of foreign (mostly US) companies have bid on and won exploitation concessions (in three general areas: the Río Salado basin which extends offshore almost to the 200 meter isobath opposite northern Buenos Aires Province; an area southeast of Bahía Blanca; and the Golfo San Jorge) serves to confirm the GOA in its optimism. One firm recently began drilling 95 kilometers offshore.

The GOA's knowledge of the deep seabed is probably minimal, except to the extent technicians are able to extrapolate from known mainland and offshore geomorphology. The GOA is aware of US experiments in the exploitation of manganese nodules which form on seafloors.

13. As suggested above, the GOA has high hopes that offshore oil deposits will help eliminate Argentina's chronic petroleum deficit, which in turn creates a substantial balance of payments drain. In a recent roundtable on petroleum problems, a Naval member of the panel stressed the hydrocarbon potential of the continental platform, noting rapid progress being made in the United States and elsewhere in deep drilling technology. Thinking about other resources (marine algae, crustaceans, ores) is less advanced.

14. There is virtually no public awareness of the problem of international agreement on seabed resources and its relation to national jurisdiction claims. The few fragmentary allusions to the problem in the press invariably represent it in terms of threats to the 200-mile maritime jurisdiction claim.

The Foreign Ministry is probably closer to the problem than any other interested government agency.

15. The government agencies presumably responsible for the formulation of Argentine seabed policy are the Foreign Ministry (particularly the Legal and International Organizations offices); the Navy; the Secretariats of Energy and Fuels, and Agriculture (Fisheries); the National Development Council (CONADE); the National Security Council (CONASE); and the National Council of Scientific and Technological Research (CNICT), of which the National Institute of Oceanography is a part. Coordination lines are unclear, although it seems likely that any major recommendations would require review of CONASE and CONADE. Quite likely the question of military uses would involve at least the Navy and the Foreign Ministry; resource exploitation would involve at least Energy and Fuels, and/or Agriculture; and research would take in at least CNICT, the Naval Hydrographic Service, and, south of the 60th parallel, the Antarctic Institute.

16. The Argentine political parties, all outlawed since mid-1966, have not focussed on the seabed question. As parties of the opposition, most would probably favor wide jurisdictions and a maximum assertion of Argentine claims if the question developed as an internal political issue. A few would doubtless try to paint GOA accession to internationalization as a government retreat. In office, these same parties might be more flexible.

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We have no evidence of direct attempts by private organizations to influence seabed policy, although it is reasonable to assume that petroleum companies exert indirect influence via their interest in offshore exploration. A number of groups--local fishing interests, shipbuilders, and the newspaper Clarín, to name a few--have been beating the drums for more aggressive fishing-promotion policies in waters above the continental platform, but the resources of the shelf per se have not entered their public discussion.

Technological Capabilities

17. Argentina has the indigenous technical capacity to drill for petroleum offshore to moderate depths, although, under its liberal Hydrocarbons Law, international companies have been encouraged to explore and exploit offshore zones, none of which have been reserved for the state petroleum entity YPF. There would appear to be little to stop the GOA or YPF or private Argentine companies from contracting outside firms to install deep-water rigs beyond Argentine technology if the Argentines thought it warranted by potential returns.

18. If one excludes fish (not properly a seabed resource), probably petroleum and natural gas are the only seabed resources seriously expected to be available for economic exploitation within the next 5-10 years.

General Considerations

19. Factors, pro and con, likely to affect GOA decisions respecting the seaward boundary of national seabed jurisdiction and international arrangements governing the seabed:

Economic factors.

a. Argentina's success in finding exploitable quantities of petroleum on the continental shelf.

b. The progress of technological developments enabling more effective research and exploitation.

c. The generalized faith (akin to the myth that Argentina is a mineral-rich country) that the offshore areas harbor vast mineral deposits just waiting to be discovered.

d. The extent to which foreign entities and entrepreneurs show interest in seabed exploitation--e.g., among the principal factors in the extension of maritime jurisdiction was the realization that foreign trawlers were taking excellent catches in the area.

Political factors

a. Apprehension that international arrangements will somehow jeopardize the 200-mile maritime jurisdiction claim.

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b. Concern that a more stringent national seabed definition might prejudice the GOA's juridical case with respect to the Falkland Islands claim.

c. The customary Argentine propensity to want to "reserve its rights" whenever possible.

d. Internal political repercussions of a juridical "retreat". This, we surmise, would be a major element only if the GOA felt pressured to back off its basic 200-mile/200-meter claim.

e. GOA suspicion of international organizations, which takes the form of concern about "inflated" international bureaucracies and hostility to the idea of creating what it terms "supra-national" entities which involve themselves in what are properly national concerns.

f. Argentine reluctance to "go it alone" internationally. Brazil's position, especially, would likely carry considerable weight with the GOA.

Other - GOA awareness of its inability to effectively police the large areas involved.

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